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STATEMENTS, COMMENTARY ON TENTH ANTARCTIC MEETING

Antarctic Challenge

Buenos Aires CONVICCION in Spanish 18 Sep 79 p 1

[Text] The Antarctic and world desire.

With the passing of the years, with new scientific discoveries, new geostrategic concepts, and also improved technical capabilities for exploitation, the Antarctic continent has become the object of the attention and desire of all the countries of the world.

The most fallacious, and at times even gross, juridical or geographical theories are contrived in order to try to assert rights in the white continent. Argentina, having the most solid geographic and juridical rights in the world, adds to these long-standing exploration and presence in the area.

Some Argentinians years ago thought that the installation of bases in the region was merely of romantic interest and that their utilization had to do only with scientific effort concerning meteorology.

As always happens, time showed that those national operations, in the full sense of the word, were of incalculable value.

They provide us with the strongest reasons to protect our legitimate interests and to prevent the Antarctic from becoming something like "everyone's property."

The so-called "Antarctic Club" is meeting in Washington. Its members, in addition to Argentina, are: Chile, the United States, the Soviet Union, Japan, Australia, France, New Zealand, Great Britain, Norway, South Africa, Belgium, and Poland.

According to a cable in CONVICCION's inside section, observers think that serenity has come to an end and that now a race will begin to determine

who has the most substantial rights and therefore can draw the greatest advantage from the immense wealth of the area.

It is believed that the treaty that has governed the destinies of the region since 1959 is in "trouble." Thus we are faced with another international challenge concerning our rights which we will have to protect, not only by means of arguments, but by making twice as many efforts as the at times heroic efforts displayed in the new appetite of the world.

Economic Interests Threaten Treaty

Buenos Aires CONVICCION in Spanish 18 Sep 79 p 15

[Text] The Antarctic is an attraction because of its fish and petroleum.

Delegates from 13 nations met in Washington yesterday for the first session of an international conference to determine the fate and the destiny of the vast Antarctic continent.

The opening of the waters that encircle the Antarctic; the eventual authorization of fishing in that territory; and the regulation of petroleum exploitation are the three main subjects in conflict that began to be discussed in this meeting's first session.

"Antarctic Club" delegates from the following countries are participating in this international conference: the United States, the Soviet Union, Japan, Argentina, Chile, Australia, France, New Zealand, England, Norway, South Africa, Belgium, and Poland.

It must be pointed out that of this group only the first three and the last three do not have sovereignty rights in the Antarctic territory, and a great many observers think that the 20-year untroubled rule over this area has come to an end, and that the Antarctic runs the risk of becoming a land that is ripe for the rivalry of the superpowers.

In the view of these observers, the great unexploited or undeveloped wealth of this immense Antarctic territory, together with strong territorial claims, threaten to convert the sixth continent into a contested zone and that it will no longer be the paradise for scientific research that it has been up to now.

The urgency to know of, and to lay hands on, the very rich resources of the region, especially its petroleum (some 45 billion barrels, approximately twice the present North American reserve) have endangered the old treaty by means of which the "Club of the 13" has governed the destinies of the southern region since 1959.

Nation's Position Stated

Buenos Aires CLARIN in Spanish 19 Sep 79 p 8

[Text] Until an international agreement on claims in the Antarctic is reached, we consider Argentine national legislation to be in force in our sector," said the head of the Argentine delegation at the 10th Antarctic Treaty Meeting that is being held in Washington.

Then Ambassador Angel Maria Olivieri Lopez said that the basic topics of the Argentine agenda "have to do with the exploration and exportation of natural resources in the Antarctic."

Ambassador Olivieri Lopez then said that those subjects "present us with a new challenge and a new stage in this problematical situation that Argentina has been following for 20 years."

Regarding the possibility that the United States may exert strong pressure in behalf of advancement toward the drawing up of an "Antarctic Living Maritime Resources Convention," he explained that "negotiation for an elaboration of a draft convention on conservation of resources is a task in which the 13 consultative parties have been deeply involved since the most recent London consultative meeting, in 1977."

Subsequently he explained that "recently we began to discuss something serious and delicate, the exploration and exploitation of minerals" and added that "first it will be necessary to establish whether or not said activities are acceptable and consistent with environmental and technological variables--which also are being analyzed by experts, so that in the event that it is accepted we might consider if an international system can be negotiated by the advisory committees."

With respect to the matter of the capture of krill, he said that this subject is one of the reasons for this convention, and that the regulation and control of the capture will be regulated by the committee that will result from the meeting."

Multinational Society Not Palatable

Buenos Aires CONVICION in Spanish 19 Sep 79 p 8

[Text] Look out for the big fish!

The signatory countries of the Antarctic Treaty opened their Tenth Meeting in Washington. Their purpose is the revision of the renewal terms of the pact that expires this year.

In this connection, we wish to recall that the following are participants in the pact: Chile, the United States, Great Britain, the Soviet Union, Japan, Australia, France, New Zealand, Norway, Poland; and that 10 nations are adherents. The main subject will take into consideration the following topics that work groups that were designated in preliminary meetings have been studying: telecommunications, tourism, human impact on environment, mineral resources, fishing, and pollution.

We went into some detail regarding this meeting, inasmuch as these details are significant facts for our country. One of them, for example, is the quite evident decision of the United States and a select group of powerful associates to oppose the Argentine thesis that says that the political conditions are not yet present to go from the scientific research stage to that of oper. exploitation in the Antarctic and its waters. And, with regard to the agenda, it is useful to pay attention to the topics of fishing and minerals.

We know that our country is not alone with regard to supporting the pertinence of a moratorium on explorations and nonscientific projects. It is therefore a question of our being able to unite our determination with that of those who share our determination-- and to intelligently debate, in order to prevent the forming of any kind of multinational company to undertake the exploitation of fishing and underwater minerals. From that kind of corporation there is very little for us to gain, and very much to lose. The great powers--history attests to this--have acted in somewhat the same manner as in the very well known, simple, and popular axiom, "the big fish eats the little one."

Defend Sovereignty Resources

Buenos Aires CONVICCION in Spanish 20 Sep 79 p 11

[Article by Martín Olivera: "The Preservation of Krill and Petroleum Protects Antarctic Sovereignty"]

[Text] Argentina's judicious position at the Washington meeting.

It would not be correct to analyze the debate that the signatory countries of the Antarctic Treaty are currently conducting in Washington apart from considering the frozen territory of the sovereignties.

The main topic of the moment is the commercial exploitation of krill and agreement on whether or not it is proper to act on the possibility of future extraction of minerals from the continent.

In this regard, the attitudes of the 13 members of the Antarctic Club differ, for various reasons--some technical, others territorial, and the remaining, ecological.

Concerning the technical ones (technical-economic would be more correct), there are different criteria because not all of the countries have the necessary means to exploit the Antarctic wealth or even to form a real research policy.

The Antarctic, except for some few, is "too far off"; at the moment it does not produce economic benefits--with creditable exceptions--and it does not seem that those who do not have great economic power have possibilities of generating them.

The Soviet Union and Japan lead the group of countries that abet the exploitation of krill--a shell fish that is very rich in proteins--and in fact are already exploiting it. Their efficient fishing industry has built the vessels needed for the capture of krill because, given the particular physical conditions of the area, technically sophisticated vessels are required.

On the basis of that, the two powers will oppose any measure that may limit or engender their fishing activities. They would also oppose the drilling of oil wells, if the latter could disturb the environment that would impair the ichthyologic fauna.

Completely different is the United States viewpoint in the case. Washington's arrows are aimed not at the ichthyologic Antarctic, but at Antarctic minerals. And though it is true that as yet one cannot think of a financially productive petroleum exploitation one can, and perhaps should, think that it is high time to pave the way for the distribution of those resources when the traditional ones are exhausted or when the proprietors of the black gold should decide for some reason "to turn the faucets off."

The United States is not going to easily consent to allowing that wealth to remain dormant under the ice while the Western empire is adversely affected by a lack of energy. In addition, they have the necessary means to undertake the venture.

Finally there is a majority third group of countries, including Argentina, that does not possess suitable techniques either for the fishing of krill or for mineral research.

In the specific case of our country--that claims sovereignty--a reasonable utilization of the Antarctic living species is favored, in order to avoid the occurrence of abuses, as has already happened in the case of seals and whales.

With respect to petroleum, one must first determine if mineral exploration and exploitation in the Antarctic is acceptable; and then, if so, to give consideration to an international system of regulating the operation.

In any case and for as long as there is no regulation, Argentina will go by its own standards in the matter, insisting on its own sovereignty rights.

Sovereignty and Economic Interests

Another aspect that influences the difference in the points of view of the 13 members of the Antarctic Club regarding krill and petroleum is the territorial one.

Seven countries claim sovereignty (see map) and, according to the resources in their sector, their greatest efforts are turned to fishing or mineral resources.

The common area that Argentina, Chile, and Great Britain claim includes the greatest concentration of krill and, according to appraisals, two big petroleum fields and twice as many of various other metals.

Iron and coal and lesser quantities of krill are the wealth of the ample Australian sector and the small French sector; while in the area claimed by New Zealand there is said to be a petroleum field.

With these data in mind, it is easy to understand why Argentina maintains a judicious posture with respect to the Antarctic fishing and mineral wealth and why the Antarctic triangle of our country is so coveted.

It also serves to clarify the reason for the push of the great powers that cannot claim sovereignty rights to legislate the exploitation of those natural resources.

If one waits until 1991, the date when the Antarctic Treaty expires in principle, there is the risk--according to those countries--that the position of the countries that claim territories will triumph, in which case all those desirable riches would slip from the hands of the others.

If the countries without sovereignty rights do not begin to exploit now, they would have limited possibilities in 1991 of dislodging the already industrially entrenched powers from their territories.

Therefore it is not possible to analyze the economic factor of the Antarctic without analyzing the territorial factor. To do so is perhaps to forget the real problem and to close one's eyes to a reality which, at the latest, will have to be faced in a decade.

Argentina, aware of that, is displaying an intense presence in the Antarctic, where its bases have become practically indispensable to all the countries that want to operate in the area. Notwithstanding this presence, the latter must be enhanced by a firm diplomatic campaign, since the obstacles to be overcome are not few.

ERA OF LABOR UNIONS UNDER JUSTICIALISM REVIEWED

Buenos Aires LA PRENSA in Spanish 20 Sep 79 p 10

[Editorial: "Labor Unions Under Justicialism"]

[Text] In keeping with the euphoria created in a number of circles by the presence in our country of the members of the Inter-American Commission on Human Rights, several Peronist union groups have taken the stage to complain that they have been "severely persecuted by the state," that "the rights of workers have been trampled" and that "the worker movement has been prevented from expressing itself freely." Anyone reading this disregarded statement who was not familiar with other moments in Argentine history would have thought that the people registering their complaint were talking about an era little short of idyllic, characterized by the unrestricted practice of union activities and, therefore, alien to all coercion, violation and disregard of the freedoms and guarantees that are inherent to it under a democratic government.

The truth is otherwise. Justicialism's coming to power caused the labor movement to lose both its autonomy and historical identity. The process that began in late 1943 with the speeches given by the then secretary of labor and welfare, Colonel Peron, from the balcony of the secretariat building, marked the exact moment when the labor movement was "discovered" and utilized as a tool for attaining power. Making use of the radio, already "hooked up" in a network obliged to spread his word, the budding dictator began his propaganda campaign, which earned him converts, money and control over the first labor unions. His "concern for the fate of the workers" was the result of careful calculation, not conviction.

Argentine workers had shaped their movement over several decades of adversity, triumphs and defeats. It took Peron only 18 months to be exalted as "the number one worker." He had formed a new worker movement from his position in power. The condition for its existence, however, was the elimination of the historical worker movement that dated from the last few years of the previous century. He silenced

the disobedient, jailed the rebellious, murdered the most courageous and exiled the most tenacious. His first and favorite victim was the Railway Union, a trade union with clearly kept accounts and orderly assemblies. Since it did not yield to him, he took it over and appointed Colonel Mercante to head it. Shortly thereafter, Mercante moved from the Railway Union to the office of governor of Buenos Aires Province. Other unions met with the same fate. In 1951 it was La Fraternidad's turn, as chains were placed on the iron gates of the building on Victoria Street, and an entrance was cleared for the assailants who had the "number one worker's" permission to plunder and scandalize.

The railway strike of 1 August 1951 was a fine opportunity to enforce as strictly as possible Decree-Law 536/45 on Crimes Against State Security, a list of legal actions that this initial manifestation of fascist criminal legislation made crimes. Nothing escaped its iron grasp, and everything became a crime: thinking, printing, hampering production, striking and anything that might affect or compromise the totalitarian measures of the state. In 1950, a law passed by Congress, of which not a few labor leaders were members, sanctioned another law that cracked down on "espionage, sabotage and treason" as a pretext for eliminating any dissenting or opposing views vis-a-vis the government in the labor arena. The heading entitled "The Rights of the Worker" in the 1949 constitutional reform made no reference, not even incidental, to the right to strike. The Justicialist worker movement applauded and lent its backing to these measures. By this time the CGT [General Confederation of Labor] and the Congress were a "chorus of docile voices." In 1949, the strike by printers' union workers ended with the imprisonment of 1,000 of them in Villa Devoto.

State unionism was born with Justicialism. The establishment and operation of labor unions were protected under the heading of Rights and Guarantees in the Constitution of 1853. After Peron came to power, the formation of a trade union hinged on prior approval from a branch of the Labor Ministry. It was a favor that the government might or might not grant, rather than a right embodied in the spirit of the constitution. Thus was formed the monstrous apparatus that the tyrant was to utilize as a "branch of the Justicialist movement." This autocratic view of the worker movement under Justicialism would lead to two developments that Argentina had never imagined: the dual vote (as a citizen and as a worker) in Chaco, and the so-called "union privilege," which extended to the regime's labor leaders the immunities granted to legislators and judges. A union delegate who had murdered a 14-year old boy could not be tried, by virtue of the "privilege" that he enjoyed.

Once it had become a branch of the state's totalitarian administration, a "transmission belt" as Lenin conceived of it in the Soviet Union, the labor movement under Justicialism brought these parallel developments: an increase in the real work week (48 hours a week became just a memory), a constant lessening of the currency's buying power, a drop in output and productivity, labor chaos and technological backwardness. The free worker movement eventually disappeared, and the labor delegates who attended the ILO's annual assemblies to report on this wound up in jail or in exile.

The number one instrument, the treacherous element in this shaping of the worker movement as a blind and deaf agent in service to the state machine, was the single union, the existence of which could soon be confirmed in the text of the new union law that the Executive Branch is on the verge of enacting. The Peronist law was a source of corruption, subjugation, informant activity and degradation. Violence and crime reigned supreme in unions. Factions fought for control of funds and grew rich by secretly manipulating them. People killed each other on behalf of the acting union boss. Rosendo Garcia, Timoteo Vander, Jose Alonso, Jose Rucci and others died "mysterious" deaths. All of this was hushed up, and the repression of the free labor movement was applauded. The ignominy reached its low point with the "union government," which on the eve of 24 March 1976 was battling the "political branch" of Justicialism for control over what a few hours later would be the rubble of disaster.

Now the Peronist labor union leaders are saying that "this" ought to return.

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CSO: 3010

DIAGNOSIS OF NATION'S ECONOMIC ILLS

Buenos Aires LA PRENSA in Spanish 10 Sep 79 p 8

[Editorial: "Chronic Deficit, Inflation and Full Employment"]

[Text] In formulating his economic program in April 1976, the economy minister told the country that he was opposed to "placing his philosophy in theoretical-doctrinary pigeonholes." The opposite of this stand was pragmatism, the approach that he would pursue in his difficult task.

The word pragmatism began to be used in its current meaning, which is synonymous with "what is useful," by a philosophical trend that attained wideranging development above all in the United States and England. It has certainly been an ideological novelty to transfer this notion from the realm of pure philosophy to economic activity, reflecting the view that only what is useful is true.

But if amid the difficult conditions inherited from Peronism the minister thought that the extremely complicated situation did not fit within "orthodox" ideological limits, the wise and prudent thing would have been to confront with bias-free realism the urgent problem that was before him, because it is not a new one; rather, its roots run deep in the mire of the worst of demagogies, begun 35 years ago by the second dictatorship. It was not necessary to be a liberal, a Socialist or a doctrinaire to form an accurate diagnosis of the crisis; one merely had to take an uninhibited look at the sad history of every government budget since 1946 to see that the country has been living beyond its means, spending what it does not have and financing the difference with the spurious "issuance" of currency or by unrestricted indebtedness. This is the origin and cause of our chronic inflation, an extremely serious problem, and we are becoming increasingly certain that the official program adopted to deal with it is patently inadequate.

From the end of last century until the present, Argentina has seen two diametrically opposed historical cycles. Until 1945, the country was properly administered in accordance with the concept of "asset" money,

under which the government budget was supposed to remain within the its actual (non-inflationary) resources, exceeding them only occasionally. Ever since that distant day the approach has been the reverse, as a result of the reform of the Central Bank's charter, undertaken for the obvious purpose of implementing the concept of "liability" money. No longer were public sector expenditures supposed to adjust to the money supply; rather, the money supply was supposed to grow sufficiently to meet the state's ever-increasing requirements for expenditures and investments. This was the cause of the unabated growth in the money supply, which in recent years rose to an annual rate of 180 percent, a figure unmatched in the contemporary world.

The reason why a decision has not been made in the last 3 years to radically change this approach, which made disorder and waste a permanent government standard, must be assigned to the belief that since inflation is the opposite of recession, the lesser of the two evils was unavoidable. In other words, it was preferable to continue living with inflation, by resorting to a generalized indexing of the economy in order to avert its effects, than to lapse into a recession and its painful consequences, with the aftermath of unemployment and the bankruptcy of many enterprises on a shaky footing or weakened by the inflationary process itself. There is a mistake here, because the inevitable alternative to inflation is deflation, which revolves around a drastic cut in the money supply, a monetary technique that is not advisable and that was not viewed by any minister as an anti-inflation tool. The opposite of recession is boom, and both manifestations of economic life make up the inexorable swings of the cycle, the nature of which has been analyzed by many economists of worldwide renown.

"Out of ignorance," Von Mises states, "people tend to confuse recession or contraction with the healthy process of 'readjustment' in which every expansionary boom must end...The public rebels against those who demonstrate that these unfortunate disturbances stem from the mistaken investments and excessive consumption of the boom, which, therefore, is foredoomed to readjustment." The illusion that every investment is profitable, which is inherent in inflationary expectations, gives rise to economic distortions. A contraction is never long-lasting or very deep when it does not follow an artificial boom that has been intentionally stimulated with monetary and credit incentives. It represents something akin to the period of sacrifice that an economy must necessarily experience in order to purge itself of distortions until it reaches equilibrium." It is in this sense that Von Mises uses the word "readjustment."

Implementing anticyclical monetary policies in order to prevent this normal process from unfolding is one of the most common mistakes in stabilization programs and the reason why their results are meager or

nonexistent. In a situation in which the country is laboring under a 170 percent annual inflation rate, it is absurd to boast that unemployment is only at 1.8 percent. In the best run economies in the world, no one worries about four or five percent unemployment, which is absolutely normal to be sure and which Keynes defined as an ineradicable surplus made up of workers who are continually changing jobs, people who are voluntarily idle, those who lack qualifications or are changing professions and those in temporary positions, such as bellboys or waiters in tourist areas. How many workers in Mar del Plata or Bariloche live comfortably by working 4 or 5 months out of the year? "This permanent residual unemployment," an author states, "far from being a real social problem, is, in fact, a necessary condition for the elasticity of the national economy. If it is absorbed, as has been happening in our country, through a 'full employment' policy, a pathological situation arises that could be termed 'overemployment,' with the aftermath of frictions that was felt in Hitler's Germany."

In broad outline, this is the patently inflationary character of the economic policy that the economy minister has been pursuing, with some variations. It entails an expansive monetary diet that, consequently, is ill-suited to the condition of the weakened patient that is our nation's economy. We should not complain, therefore, when the undesirable illness manifests itself with increasing intensity in the undesirable monthly jumps in prices.

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CSO: 3010

MARTINEZ DE HOZ DEFINES ECONOMIC PROCESS

Buenos Aires LA OPINION in Spanish 5 Sep 79 p 10

[Text] The nation's economy minister, Jose Alfredo Martinez de Hoz, said on arriving yesterday in Cordoba that he was "very optimistic" about the agreement on Yacyreta that was signed with Paraguay, and on another topic he maintained that the national government would not require a new financial contribution from the provinces next year.

"We have said that it would be a one-time contribution, and that's the way it will be," said the economy minister in making a statement to the press regarding the requirements that the nation's treasury set this year for the governments of Buenos Aires, Mendoza, Cordoba and Santa Fe and the municipality of the city of Buenos Aires.

Martinez de Hoz made these remarks during a talk with local newsmen at the Military Aviation School, where he arrived to attend the luncheon held in honor of the 79th anniversary of the Cordoba Stock Exchange.

The economy minister was received at the Military Aviation School by the governor of Cordoba, Gen Adolfo Sigwald, and heads of government banks and independent state-run enterprises.

In his talk with newsmen Martinez de Hoz asserted that "we want a strong, not a weak industry."

"We believe," he noted, "that our policy is strengthening national industry, because an overprotected industry is a weak industry that has no chance for expansion or the incorporation of modern technology."

"Our policy," he went on to say, "aims at promoting competition, at stimulating industrial progress for the benefit of domestic consumption and at enabling industry to get access to international markets under competitive conditions."

Martinez de Hoz was also questioned as to the recent signing of the agreement with Paraguay on the construction of the Yacyreta hydro-

electrical project and about final efforts to obtain a joint \$420 million loan from the Inter-American Development Bank and the World Bank.

"They will be coming," he replied in connection with the loans; "we are quite satisfied with the agreements signed in Asuncion, because they are of mutual and balanced benefit to both nations. Argentina is going to have a source of hydroelectric power that will be very important in carrying out its energy program from now until the year 2000. I think that once again President Stroessner has shown the clear vision of a statesman in guiding his country into this pact."

"It is also of extraordinary importance for Paraguay, because during the time that it does not make use of the energy, it will be able to take in revenue by exporting the electric power to Argentina, and this will be a major contribution to its economic development."

When questioned whether the next step in the hydroelectric field would be the Corpus dam, Dr Martinez de Hoz stated that "we hope so. We are looking to this with great optimism, and I think that an understanding will also be reached in this case so that we can continue with this project, which is also of fundamental importance to our country."

Martinez de Hoz later held a meeting with the governor of the province, retired Brig Gen Adolfo Sigwald, and cabinet ministers.

Their talks lasted 1½ hours, and it was learned that they took up the issue of federal copartnership.

In addition, Martinez de Hoz maintained in statements to the newspaper CRONICA that "although the current rate of inflation is higher than we would like, it cannot affect the formulation of the political proposal by the Armed Forces," adding that "the current economic process will in no way be an obstacle to achieving political objectives."

He also commented on the government move to publish two price indexes, explaining that it was in keeping with the government's decision to achieve a gradual de-indexation as a weapon against inflation.

He pointed out that with these two indexes, "one that includes increases in the price of meat and a second 'vegetarian' index, we are preventing a single product, meat, which has a strong direct and carry-over impact on the average family economy, from giving the erroneous impression that inflation is worsening, when in fact price rises have been prompted by unusual circumstances relating exclusively to meat, such as supply shortages."

Martinez de Hoz announced that "we are going to intensify the pace of wage recovery, because all of our basic measures, especially the freeing of prices, the cut in import duties and the incorporation of modern technology for our industries, will definitely bolster the real wages of the workers."

The minister disclosed that "we have freed wages and tied them to higher productivity 4 months ahead of schedule thanks to our economy's recovery."

The minister then defended his industrial economic policy, pointing out that "imports will not affect the national industry. On the other hand, they will have negative consequences for obsolete, inefficient enterprises that are accustomed to state overprotection."

According to Martinez de Hoz, "the new tariff policy will enable Argentines to buy at lower prices and to select goods of varying quality, because our industries will have to compete with foreign goods if they want to sell."

With regard to the reasons why Central Bank reserves, which total \$9 billion, "are not for distribution," he pointed out that they guarantee the country's solvency and independence, "because a country that has money can do what it wants to."

8743

CSO: 3010

ARGENTINA

OXENFORD FOCUSES ON ROLE OF BUSINESS LEADERS

Buenos Aires LA NACION in Spanish 21 Sep 79 p 1

[Text] At the monthly luncheon of the Institute for the Development of Businessmen in Argentina (IDEA), the president of Alpargatas S.A. and the current intervener in the Argentine Industrial Union, Eduardo Valentin Oxenford (an engineer), made a series of remarks on subjectivism and objectivism in Argentine attitudes.

Oxenford warned that our country has been exhibiting a marked tendency towards subjectivism, excessive individualism and a lack of solidarity. "This lack of objectivism," he then noted, "has led us in recent times to feel more distressed over what we have inherited than aware of the inconsistencies that we have ourselves introduced. How often," he remarked, "have we heard it said that we can attach the blame for our ills to what we inherited, and how rarely do we focus on the inconsistencies that we ourselves introduce through our own decisions; this is looking to the past for a scapegoat. I have often thought," he added, "that if a country like the Federal Republic of Germany were experiencing economic distress, it would not blame a previous insane or irresponsible leadership that was in power for many years, nor would it blame its defeat in the war or the division of its territory in two."

Excessive Individualism

"In contrast," he went on to say, "as soon as the conflict was over, they once again mobilized all of their domestic mechanisms and in a short time became one of the world's most prosperous nations. Argentina at one point held a privileged position among the countries of the world, a position that it has been losing." Oxenford attributed this, among other things, to the excessive individualism and subjectivism that has done us so much harm. "We were successful," he asserted, "when individual effort mattered more than team effort, and as the world became steadily industrialized and joint efforts became more necessary, our excessive subjectivism and individualism wound up hurting us," he said.

"It is a question," he stated, "of making ethics evolve in the direction of solidarity, responsibility and coexistence, with a view towards achieving goals that are valuable to society. It is a question of developing in man the basic virtues that when cultivated in the society in which he lives cause it to develop and evolve."

"The central problem seems to be to come up with a synthesis of science, technology and humanist and spiritual values, to set long-term objectives and to attain them through a suitable strategy. In this regard," he noted, "we as leaders are obliged to give a proper example every day, by effectively performing the leadership role that we have been called upon to play in society."

8743
C30: 3010

ARGENTINA

COMMISSION OF 25, CNT MERGE

Details Given

Buenos Aires LA NACION in Spanish 11 Sep 79 pp 1, 12

[Text] After a meeting last night between the Boards of Directors of the Commission of 25 and the National Labor Commission (CNT), the two groups dissolved and formed the Single Leadership of Argentine Workers (CUTA).

The formation of the new worker organization marks the culmination, for the moment, of a lengthy debate in the Argentine union movement, a debate that began on 24 March 1976 after the Armed Forces took power and assumed control of the CGT [General Labor Confederation] and many other labor organizations.

Thus begins a new stage in the country's unionism, although the merger of the two groups does not mean "total unity," inasmuch as the anti-verticalist factions and the participationist, nonaligned majority that split from the 25 have by their own decision remained on the sidelines.

In any case, the unified leadership group of 30 members (15 from each) could be expanded if a number of trade unions from these factions, as well as other unions that were unattached to any sector, decide soon to join in the merger.

In this connection, trade union circles do not rule out that La Fraternidad and the Insurance Union might be among those joining in the not too distant future.

The meeting at which the merger of the two groups was sealed was held at the headquarters of the commercial union, and at its close the labor leaders made a toast to the success of the new stage.

Board of Directors

The members of CUTA will hold their first meeting tomorrow at the headquarters of the brewery union in order to form the Board of

Directors, which will consist of 8 representatives of the former CGT and 6 from the former Commission of 25. The difference is mainly due to the number of trade unions that the two groups comprised. The former included 77 entities, and the latter, around 30.

At tomorrow's meeting they will also work out a "program of measures and actions" to be undertaken in full view of the national authorities and representative organizations of Argentine society in the search for solutions to the problems of workers, it was reported.

Program

Labor spokesmen disclosed that this program will represent a coordination of the objectives set forth in the resolution of the plenary session of the secretaries general that was held within the CGT at the time when delegates were chosen to take part in the annual assembly of the ILO; the objectives contained in the document that Alberto Triaca (plastics) read before the international forum, and the guidelines proposed by the former group of 25, which are mainly a "time for a dialog" and actions to be taken vis-a-vis the government. The document setting forth the objectives of CUTA will be drawn up by a committee appointed during yesterday's meeting and consisting of leaders Triaca (plastics), Enrique Venturini (nautical electricians), Manuel Diz Rey (traveling salesmen), who are from the former CGT, and Jose Rodriguez (mechanics), Ricardo Perez (teamsters) and Carlos Cabrera (miners), who are from the 25. The decision was also made to set up other six-member committees, which will take up matters relating to the economy, transportation and public works, social works and international labor relations.

With the Inter-American Commission on Human Rights (ICHR)

Leaders of the brand new group will be received tomorrow at 1700 hours by the members of the ICHR; the union members who will be involved in this activity will be designated at the meeting to be held in the morning.

It was learned in advance that the CUTA representatives feel that the nature of the ICHR's activities does not violate our sovereignty. They have decided to convey to the officials their denunciation of subversion and the harm it caused the country and will also state that restrictions on union activities and the existence of people detained without due process are a blow to human rights.

Single Leadership

The national board of the CUTA was set up as follows: representing the former 25 group, Pedro Agostini (taxi drivers), Ricardo Perez

(tanners), Alfonso Millan (glass workers), Carlos Cabrera (miners), Roberto Elgon (tobacco workers), Jose Luis Castillo (consolidated ship navigators), Roque Di Caprio (mechanics), Mativida Serpa (sanitation works), Carlos Crespi (state petroleum workers) from the verticalist and orthodox factions; and Jorge Barilache (brewery workers), Vicente La Lea (sports workers), Francisco Lilacono (tobacco workers), and Angel Estevez (traveling salesmen) from the participationist faction and Demetrio Lawrence (foodstuffs) and Carlos Gaboy (private petroleum workers) from the nonaligned factions.

Representing the former CNT: Alberto Trisch (plastics), Ruben Marcos (metal workers), Pedro Goyeneche (textile workers), Mario Diego Cala Gomez (commercial employee), Aldo Serrano (light and power workers), Juan Calace (sanitation) from the Activities and Labor Committee; Ramon Baldassini (telephone and postal workers), Juan Hervart (state workers), Rene Azar (streetcar workers), Enrique Venturini (nautical electricians) and Carlos Rosatto (white- and blue-collar workers in education and dealing with the under-age) from the independent faction, and Manuel Dia Rey (traveling salesmen), Esteban Bolando (railway union) and Alberto Caldera (freight loading and unloading workers) from the dissident verticalist faction.

Questioning Voiced

For its part, the dissident faction that comprises 25 organizations from the anti-verticalist, participationist and nonaligned groups released a communique in which it questions wage policy. It notes that the aim is "to freeze wages," indicating also that discussion in joint and tripartite boards is barred. In conclusion, it points out that "the problem goes beyond mere economics and grievances; it involves doctrine, and not only the workers but all of society should voice an opinion and have input in the decisions to be made, bearing in mind the profound changes that this policy entails with respect to the structure and course of Argentine society."

'LA NACION' Commentary on Merger

Buenos Aires LA NACION in Spanish 17 Sep 79 p 8

[Excerpts] A Single Leadership

Since last Monday the Argentine labor movement has ceased to be divided into two major bands or blocs. No longer can we speak of the Commission of the 25 or the National Labor Commission, because the two have decided, by mutual consent, to dissolve and to establish without delay the Single Leadership of Argentine Workers, or, simply, OATA. Two days later, the 30 members of new group's governing body met to make known its incorporation charter, its organizational structure

and the program of grievances that will guide its efforts. A new stage in the history of our trade union movement had thus been set in motion, although almost all of the leaders who agreed to the merger have close ties to the people who have monopolized union power for more than three decades and who, moreover, identified and identify with Peronism politically.

One of CUTA's first concerns was to expressly underscore that neither the work program it proposes to undertake "nor the channels decided on for its implementation compromise the organization vis-a-vis the government or any political or social organization or body whatsoever." Thus, we can say that if these words are firmly supported by actions, an important step will be taken towards the essential purging of leaders who still defend their political interests with greater zeal than union interests and, that is no less dangerous, subordinate union activity to the needs of their party. We saw all of this and much more over the last 35 years. Moreover, all of this gradually eroded the integrity of the labor group and eventually made it one of the contributory factors in the grave situation that the country confronted starting in 1945, although the crisis that led to the brink of ruin unfolded from 1973 to 1976.

CUTA's immediate intention is to establish contacts with the church, the Armed Forces, business chambers and other institutions that have a well-known influence on national life, but before anything else, it wants to talk with the minister of labor in order to inform him of the objectives of its efforts. If such visits are, in fact, paid, they will be somewhat ceremonial or to convey greetings, as is the custom among high-ranking officials when recent appointees visit the offices of their seniors to offer their respects.

Incomplete Unity

The CUTA represents worker unity, but not to an absolute degree, because the dissident trade unions of the 25, which belong to the anti-verticalist, participationist and nonaligned factions, did not join its ranks. The door is not completely closed, however, for potential incorporation into the CUTA of groups that regret their detached stand or realize that alone they can move forward only very slowly. For now, however, the prospects of a change in their course seem very slight, if not nonexistent, because the dissidents give no indication of altering their position. In any case, CUTA's statement in announcing its existence is significant. It points out that it is willing to admit "all those who, while today are not part of this achievement (referring to unity), feel that serving the workers of Argentina is more important than circumstantial or temporary differences."

It is perhaps this consideration that has led a number of observers to conjecture that before too long the insurance union and La Fraternidad will join CUTA and that the powerful construction workers union could do so later on. In order to make room for them on the executive staff that now runs the union movement, six seats have, in fact, been left vacant in anticipation of those who might decide to link up with the newly formed organization.

The organizational structure of CUTA must now be rounded out with the formation of the so-called "small board" or "board of directors." It will be made up of representatives from 14 worker groups, 8 of them belonging to what was the CNT, and the remaining 6 from the Commission of 25. According to reports, the leadership group is supposed to begin work the day after tomorrow, but we get the impression that it will be no easy task to reach an agreement among all those seeking to sit on the small governing committee, so that some step aside and clear the way for its ultimate members. The simple explanation for the surplus of candidates is that the internal factions of the 25 and the CNT want to impose their choices. Nevertheless, there are fewer posts than hopefuls, and therefore, as we can see, some will unavoidably be rejected. Hence, it is not unlikely that the designations will be postponed for a few days.

'LA PRENSA' Commentary on Merger

Buenos Aires LA PRENSA in Spanish 15 Sep 79 p 6

[Editorial: "Reorganization of the Former CGT"]

[Text] One could not correctly assert that the dissolution of the two trade union groups that were extremely active until a few days ago and their merger into a so-called Single Leadership of Argentine Workers marks the outset of a new stage in the organizational format of the Argentine union movement or a change in attitude among its leaders towards the problems that the country has been facing for many years. We can see the same men, the same procedures and the same objectives in the initial activities to establish the new worker front, and its immediate plans of action even talk of resisting any legislative reform of the provisions of the legal system that was in force until 24 March 1976.

The final decision to formalize the merger was made a month and a half after widespread publicity was given to the announcement that the Commission of the 25 and the National Labor Commission would consolidate, in the wake of feverish negotiations in which the only item under discussion was the apportionment of leadership posts. The country has witnessed the confrontations and struggles for power waged by the two opposing groups as well as by the sectors that have split from one of

them. "Verticalists," "orthodox Peronists," "participationists" and resurrected members of the "Peronist Union Movement" played a decisive role in the formation of the brand new group that has now gone into action and that has all of the features of the "central worker organization" that we know so well.

Once the difficulties of the unification process were smoothed out through a conciliatory apportionment of posts (30 leaders will make up the "single leadership" body), the focus of concern shifted to approval of the "program of measures and actions" for the immediate future. This program represents a summary of the main points of a resolution passed by trade union secretaries last 22 May at a meeting held in the headquarters of the OGT, which is now under intervention. On this occasion, the decision was voiced to struggle for the maintenance of Law 20,615, on professional associations, that the Peronist government issued in December 1973. This law validated the existence of the "single union," established the "union privilege" and authorized trade unions to undertake political activity. Union control of social projects will be another of the alleged gains that the new organization will attach priority to defending. It will also call for the immediate normalization of the trade unions under intervention and for the repeal of all legislation restricting union activity. Leaders removed from their posts because they have violated the law will have to be reinstated, inasmuch as it refers to the "restitution of mandates."

It is easy to see that the program is not based on the intent to reestablish the practices of union freedom, which run counter to mandatory organizational formats. On the one hand it announces its determination to defend "the structure of the worker movement," and on the other it demands the "full-fledged enforcement of the National Constitution," forgetting that this "structure," based on recognition of a single union, violates the provisions of the constitution.

In practice, the program that it has drawn up would create a state of permanent agitation in the trade unions and set them apart from their specific mission.

For now, it is noteworthy that the first act of the so-called Single Leadership of the Workers was to meet with the members of the Inter-American Commission on Human Rights at a hastily convened audience. The least that we can assume is that the callers reiterated to the OAS representatives the denunciations made at meetings of the ILO on alleged "economic persecutions" of "the working class."

What is most incomprehensible about all this is that the virtual reorganization of the former central worker group, or OGT, has been facilitated and encouraged by our national authorities, even though, in contrast, they are trying to prevent third-class entities from

establishing themselves as organizations. Meanwhile, the worker sectors of proven democratic performance are being thwarted in their efforts. The Organizing Committee of the National Congress of Free Unionism reported last week that after many months of efforts it has not secured official authorization to take the step that would be of genuinely far-reaching importance for the future of Argentine trade union organization.

8743

CSO: 5010

NEW AREAS AVAILABLE FOR OIL SERVICE CONTRACTS

Quito EL TIEMPO in Spanish 21 Sep 79 p 1

[Text] There are 72 blocks of 200,000 hectares, each, that are available for exploratory activities involving hydrocarbons and they will shortly be released for public bids, it was disclosed by Engineer Luis Roman Lazo, director-general of Hydrocarbons; 46 out of those blocks are located along the coast, inland, and off-shore, and 26 are in the Eastern region.

These blocks will be the subject of competitive bidding invitations or direct contracting, according to the model of the new "hydrocarbons operations" contracts to be put into effect, he noted next.

Main Activities

In the course of a lecture given at the law school of the Vicente Rocafuerte University at Guayaquil, Engineer Luis Roman Lazo revealed a scheme for the principal hydrocarbon activities carried out so far and the programs for the next several years.

He stressed the importance of exploratory work, aimed at locating new hydrocarbon reserves, for the country.

He pointed out that, as a result of the prospecting work done so far, both by CEPE [Ecuadorean State Petroleum Corporation], as well as by foreign companies that operate and did operate in the country as well as the conclusions deriving from regional studies and correlative studies throughout the entire Eastern basin, inland and offshore, carried out by technical personnel from the directorate-general of Hydrocarbons, it was possible to draft a new Ecuadorean petroleum land register map with the objective of promoting prospective areas for exploration and the development of new facilities.

According to that map, he said, 72 blocks are available, with 46 along the coast and offshore as well as 26 in the east, covering approximately 200,000 hectares, each.

These blocks will be subject to competitive bidding invitations or direct contracting, according to the new contracts on "hydrocarbons operations" to be put into effect shortly.

CEPE Exploration

He also revealed that the sedimentary basins located along the coast and the submarine continental shelf were considered within the exploratory program to be carried out by CEPE this year, including around 400 kilometers of seismic survey lines and geochemical prospecting work designed to determine the distance of major hydrocarbon deposits for future exploitation.

New Drilling Rig

Concerning the exploratory activities by the CEPE-TEXACO consortium, he reported that a survey of 782 kilometers of seismic lines was made in 1978 and that 268.5 kilometers of seismic recordings were made in January, February, and March of this year. This was done, he said, for the purpose of shortly starting exploration in the Hollin formation and in pre-Cretaceous strata where there are good prospects for locating new petroleum reserves.

After the data obtained have been processed, plans call for contracting a new drilling rig with a drilling capacity of at least 17,000 feet in depth, since the pre-Cretaceous strata are at depths in excess of 12,000 feet.

5058

CSO: 3010

CEPE STUDIES REORGANIZATION, DECENTRALIZATION

Quito EL COMERCIO in Spanish 22 Sep 79 p 1, 15

[Excerpts] The Esmeraldas Refinery closed down its operations in order to undergo thorough maintenance of its installations for a period of 21 days, as was announced during the visit made by natural resources minister Mauricio Davalos to the plant, in company of the CEPE (Ecuadorean State Petroleum Corporation) manager, Engineer Jose Carvajal; the director of Hydrocarbons, Engineer Luis Roman; and various officials from his ministry and the CEPE.

Accompanied by the general manager of the INECEL (Ecuadorean Electrification Institute), Engineer Eduardo Vilarreal, the secretary of state visited the construction work at the Esmeraldas thermal power plant which will generate 125,000 kilowatts and turned 11 million sucres over to Engineer Wilfrido Carpio, manager of the electric power company in that province.

Refinery Shutdown

Davalos inspected the Esmeraldas Refinery and looked into the maintenance work that was being done at the plant; this work must be done on a priority basis since it was not done when it should have been done.

It was explained that there was no damage to the plant but that routine maintenance should have been performed earlier.

The work will be done over a period of 21 days and its cost has been estimated at a total of 6 million sucres, including the expenses arising from the plant's shutdown.

It was pointed out that the country will not suffer any unfavorable effects in terms of fuel supply since precautionary measures were taken earlier, such as supplying hydrocarbon byproducts for a period of 45 days and contracting with the Curacao Refinery to have Ecuadorean crude processed in that plant and to deliver the necessary fuels.

This operation will involve a cost of \$1.35 per barrel and the regular supply of fuels has thus been assured.

CEPE Reorganization

Engineer Carvajal, CEPE manager, noted that the agency's reorganization is now being studied and that the draft project to be implemented over a period of two years will be submitted to the corporation's board of directors at the proper time.

He pointed out that the current administrative setup will be replaced by a mechanism in which the manager would delegate responsibility so as to decentralize the system.

In this respect he said that six divisional management offices would be created with their respective responsibilities.

During his press conference at Esmeraldas, he explained--in reply to questions from newsmen--that various irregularities have been discovered in the agency, both in terms of work and in terms of administration, giving as example the matter relating to the construction of the El Triunfo clean-products terminal where provision was made for the project as such, although without the pertinent mechanism for supplying fuels to be received there; this involved regular contract award procedures as well as absence of supervision in project management.

He confirmed that the country's fuel supply is assured in spite of the suspension of production at the Esmeraldas Refinery which is going through a maintenance phase and that he would shortly go to Mexico to talk to the managers of PEMEX [Mexican Petroleum] on supplying hydrocarbon byproducts to the country in exchange for the sale of petroleum to Chile, by that Mexican enterprise.

Contradictory Aspects

During his remarks on the aspects of the hydrocarbon sector, Minister Davalos pointed out the transportation problems connected with fuel processed at Esmeraldas by coastal tankers, instead of having a pipeline, thus pointing up the lack of planning in connection with various projects.

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CSO: 3010

'DIRECTIONAL DRILLING' USED BY CEPE-TEXACO

Quito EL TIEMPO in Spanish 20 Sep 79 p 2

[Text] Directional drilling--the latest technological innovation in the petroleum industry--is being used in drilling the Parahuacu No 5 well located in the area in which the CEPE-TEXACO consortium is operating; the well has already reached a depth of 10,000 feet.

Parahuacu No 5, located in the field by the same name, is scheduled to reach a total depth of 11,500 feet. The causes for the deviation during directional drilling are due to the fact that the objective (deposit), which is to be reached, is on the other side of the Aguarico River.

It was announced that this method simplifies various procedures which had to be performed for vertical drilling; if this method had been used, it would have been necessary to build a 300-meter bridge across the river, with a flow [pumping] line of approximately 6,000 feet to the nearest station across the Aguarico River; that would have entailed problems of erosion, and corrosion, as well as natural phenomena since the submerged pipeline would have had to be under the river.

The system also, it was indicated, facilitates maintenance service and surface inspection at the well since it is not necessary to cover an additional approximately 70 kilometers across the Shushufindi field in order to perform these operations; besides, in cases of this kind, the drilling costs are lower.

On-the-Job Training

Engineers from the General Directorate of Hydrocarbons are supervising the execution of this work to make sure that the technical specifications are complied with. An official spokesman pointed out that--for the purpose of familiarizing the personnel of this department with the latest innovations in the petroleum industry so as to train them for their supervisory functions--various officials from this directorate recently attended a seminar given by the Solus Ocean Systems Inc. Company, covering inspection, engineering systems, maintenance programs, construction work, welding, underwater work, and various equipment used in petroleum exploration both on land and on the sea.

TRADE INSTITUTE TO BECOME SEMIAUTONOMOUS AGENCY

Managua BARRICADA in Spanish 5 Sep 79 p 3

[Text] The National Institute of Foreign and Domestic Trade [INCEI] will become a state enterprise for foodstuffs, with a degree of operational autonomy, according to an announcement on Tuesday by the institute's general manager, Dr Alejandro Martinez Cuenca.

General Manager Martinez Cuenca's announcement was made at a press conference called yesterday.

He stated that "a foreign and domestic trade system is being articulated whose objective is the marketing of the basic commodities produced in our country."

Dr Martinez Cuenca indicated that the foreign trade system will include a "governing body" and a "national enterprise" charged with the marketing of the basic categories.

Referring to the national enterprises, he said they will be responsible for trading on the international markets in their respective products.

He added that the INCEI's name will be changed to the National Foodstuffs Enterprise [ENABAS] and will be charged with the direct purchase of grains from the domestic producer, "using guaranteed prices."

He said the national enterprises comprising the coffee, cotton and sugar categories will have premises located two blocks down from the Ministry of Defense.

The Coffee Belongs to the Producers

The general manager stressed that the coffee producers should feel secure, in that at no time "have we intended that their harvest should not belong to them. They, the producers, have complete and absolute control over their coffee," companero Martinez Cuenca underlined.

He also stated that the National Coffee Enterprise (ENCA) has been formed to buy the coffee from the producers whenever the latter wish to sell it.

In another important announcement, Dr Martinez Cuenca stated that the ENCA will shortly publish the specific net prices to be paid to the coffee producers.

He added that the prices will be tied to international coffee prices at the time of each transaction and that there will be a consistent policy of fair prices for the small producers.

With respect to intermediaries in these coffee transactions, he indicated they will be "as much as possible eliminated" and said the possibility of buying certain strategic zones throughout the country is being studied.

He stated that the problem of roads and the transportation of coffee from the plantations to the processing centers is also under study.

He made it clear that the intent is to "enter into a process of identification with the true producers, so as to serve them with greater zeal and in a more direct manner."

Our interlocutor explained that steps are being taken to consolidate the position of the small producer. The standardization of weights and measures in this regard is being analyzed, with the object of preventing the cheating of the producer. "We are preparing a decree providing applicable solutions to this problem," he added.

Meat and Staples

He announced that discussions are under way to permit the importation of Nicaraguan beef into the United States. In this regard he said that "export licenses will be issued."

To conclude, he stated that retail centers set up throughout the country-- 30 in all--are selling staple foods at "reasonable" prices. Eggs are available at 6 cordobas a dozen.

9238
CSO: 3010

NEW COMMON MARKET STRATEGY OUTLINED

Managua BARRICADA in Spanish 28 Aug 79 p 4

[Text] The Nicaraguan Government is studying new strategies to reactivate and, more than that, stabilize relationships and render them more equitable under the MERCOSUR [Central American Common Market]. Vice Minister for Integration and Economic Cooperation Attorney Haroldo Montealegre said that the Costa Rican position is being studied with a view to lowering common market customs tariffs and so achieving a gradual reduction of consumer prices.

In recent years, especially since 1969, the MERCOSUR began to develop a structural crack.

Serious issues have been raised by the war between Honduras and El Salvador, as well as by the widening of the gap between the more industrialized countries (El Salvador and Guatemala) and the lesser developed ones in this regard (Honduras and Nicaragua).

Original Concept of MERCOSUR

MERCOSUR had its inception in a reformist strategy which sought to improve matters somewhat so as to avoid abrupt profound changes. "It was thought," said Vice Minister Montealegre "that its gradual development would lead to significant improvements in the living standards of our peoples.

"This integrationist process produced several important changes in the Central American economies:

- "1. Interregional trade increased, producing foreign exchange savings.
- "2. Commercial dependence on the United States was diminished.
- "3. Various industries were created.
- "4. It facilitated increased access to foreign savings.
- "5. The countries in the area modernized their basic infrastructures.

"All of these factors endowed this scheme with a life of its own. The basic strategy contemplated for development within this process consisted of promoting the production, within a free trade zone, of goods that were formerly imported.

"Obviously, this Central American Common Market provided a natural and justifiable protective barrier for the industrialization of the five Central American countries of the area.

"To this end, the governments in the area granted a number of facilities to industries:

"1. Jointly agreed high customs barriers that would permit the domestic prices paid by the people for products in the area to be higher than if the barriers did not exist.

"2. A law on incentives to industrial development that exempted industrialists from payment of customs duties and corporate income taxes, which were transferred to the public in the form of sales taxes.

"3. Investments in infrastructures supportive of industry.

"4. Freedom of movement for foreign capital.

"It is easily understood why the Central American consumers, that is, the peoples in the area, are the worst hit by the MERCOMUN. It is they, in the final analysis, who are shouldering the tax burden in the form of indirect taxes on consumption, which directly affect the people."

What Can We Do?

"However, the government of national reconstruction has already defined a general policy with respect to the MERCOMUN, although one of the several concepts being analyzed at this time has yet to be formulated.

"Within a plan that contemplates profound internal changes and a program of integral development of its manpower, Nicaragua is considering industrial development options that will effectively do away with the following problems created by the former scheme:

"1. Lack of participation by the working class and farm laborers in the benefits of an economic slowdown.

"2. The monopolization and oligopolization of industry, most of which is in the hands of foreigners.

"3. The huge tax sacrifice by the state, the loss of small and other industries, and the privations suffered by the people, which have not been compensated by an adequate creation of productive jobs.

"4. Unequal distribution of the benefits of the MERCOSUR among the countries of the area.

"5. Foreign control of industry."

In regard to our national position, Montenegro stated that one of Nicaragua's options is to support Costa Rica's position in the sense of achieving a lowered common customs barrier structure which would enable the lowering of consumer prices. As regards taxes, exemptions and unnecessary tax reductions will no longer be granted, and the tax burden will be borne in greater proportion by those having higher incomes, with the object of achieving a more equitable distribution of income. This would alleviate the burden of taxes on consumption.

As regards foreign investment, it will in all cases fulfill a supplementary function to the domestic effort.

9238

CSO: 3010

DEMONEZITIZATION ELICITS MIXED RESPONSES, SURVEY SHOWS

Managua BARRICADA in Spanish 28 Aug 79 p 5

[Text] Our country's working class being the principal driving force of our economy, BARRICADA conducted a number of surveys in work centers where the workers are unionized, in order to determine their opinion regarding the new measure adopted by the government of national reconstruction and the Sandinist Front with respect to 1,000-cordoba and 500-cordoba bills.

Sonia Aguilar, member of the Union of MILCA Workers, said:

"It is the best measure yet adopted by the government to counteract the counterrevolution that is now forming." She added that it does not inconvenience MILCA's employees because the enterprise has agreed to accept from the workers all of their 1,000-cordoba and 500-cordoba bills, deposit them, and return their money to them on Tuesday. She concluded, saying: "I think the measure requiring banks to hold the money for 6 months is a good one, because, above all, it is earning interest."

The members of the union were called together yesterday to clarify the situation to them.

Adolfo Calero Aguilar, another employee of the bottling plant, also asserted it is a good step to have taken those bills out of circulation, because it hits the Somozists. "As far as I myself am concerned, it does not affect me since the money in the bank is drawing interest," he said.

Manuel Gonzalez, another MILCA employee, had this to say: "The measure is a good one, but they should allow more time for everyone to become familiar with it. People in different parts of the country do not get or do not fully understand the news."

Abraham Brenes said: "The measure is a good one, but it affects us, because we will not receive our pay on Monday and this prevents us from meeting our obligations."

BARRICADA also talked with worker companeros of the National Livestock Exchange, who are also unionized.

Companero Jose Ubada felt that the measure is good and that, in his personal opinion, it does not affect the workers, because wages are rather low and the workers hardly receive their pay in 1,000-cordoba and 500-cordoba bills, but rather are generally paid in bills of lower denomination.

Antonio Conrado said he was affected at this time because he has nine children to feed, was paid with a 1,000-cordoba bill which no one has wanted to change all day, and cannot wait 6 months to eat again.

Another of the workers approached by BARRICADA, in the DIASA enterprise, said that the measure had been a complete surprise among the workers, but that if the decision had been taken by the government of national reconstruction it was well taken, since it would prevent the Somozists from benefiting from the money they had stolen from the public coffers.

Other workers revealed that no sooner had the Junta's decree been announced than speculation started with the bills. A 500-cordoba bill, for example, brought only 400 cordobas and a 1,000-cordoba bill only 800 cordobas, and many of us have had to accept this to survive on the low wages we have been paid recently.

Argentina Miranda, a tenant, said: The measure is good; it guarantees the people's economic well-being; but we hope the government will reconsider the period of reimbursement.

Eduardo Martinez, small merchant, said: It is a good measure, but 80 percent of my working capital will be frozen, so I think the small merchant, and in general those persons without economic resources, will be seriously affected."

Antonio Rivas Ortiz, merchant: "Its intent is to recover the stolen money from those who took it, but a person with little money will not be able to turn it over in his work."

Francisco Ortiz, chauffeur: "The proceeding is right, in that some persons took advantage of the moment of the insurrection, plundering the banks and taking the money abroad to commit their villainies, and at the same time devaluating the money more than it already was."

Raul Sandoval, chauffeur: "It is a good law for recovering the stolen money, but we think it is unfair to have to deposit our money for so long. The line should have been drawn at 10,000 cordobas and up, because those of us who do not have much money are being hurt."

Carmen Flores, tenant: "Freezing our money for so long hurts us because we cannot work with our own money, and this means we will have to borrow money at 20 percent from the moneylenders in the marketplace.

NICARAGUA

FURTHER DEMONETIZATION DENIED BY BANK HEAD

Managua BARRICADA in Spanish 8 Sep 79 p 8

[Text] We have received from the Superintendency of Banks and Other Institutions an important clarification with respect to the counterrevolutionary rumor that has been circulating regarding the alleged demonetization of bills of all existing denominations. The clarification specifically states the following:

"A rumor has been put into circulation that the government of national reconstruction is preparing to demonetize bills of all existing denominations, which is nothing more than stupid behavior by ill-intentioned, counter-revolutionary Somozist elements.

"As the superintendent of banks and other institutions, I am prepared to deny such a rumor not only as being absurd since it would mean that the country would be left without bills, but also because I wish to prevent our people from being subjected to deceit and unfounded fears.

"This counterrevolutionary maneuver is nothing more than a belated reaction of those who plundered the country, carrying away the 500-cordoba and 1,000-cordoba bills, which are and will be the only ones demonetized. The new bills are expected to enter circulation very soon to supplement those now in the hands of the public, which the public can use with complete confidence.

"We ask our people to maintain and strengthen their faith in the state's institution and in the men who are leading our revolutionary process, all for the good of Nicaragua. "

Managua, 7 September 1979

Porfirio J. Gomez

Superintendent

9238

CSO: 1010

REORGANIZATION OF PARLIAMENT PROPOSED

Montevideo EL PAIS in Spanish 14 Sep 79 p 8

[Editorial: "Parliament for a New Uruguay"]

[Text] No doubt because of its indisputable importance, the organization of the legislative branch will have to figure in the fundamental topics of study and deliberation included in the text of the new Uruguayan Constitution. The problems to be elucidated will be many and of very different kinds, comprising as well reiteration of the usual stock-taking of political legislation arguments as to the virtues and advantages of unicameral and bicameral systems. From such points of view, given the proposition of the advisability of having two houses, a government in unity with the entire national experience in the matters at hand and which is ultimately based on the benefits accruing from a more conscientious and more carefully thought out elaboration of the laws through two stages developed in two independent representative bodies, we can only presume that debates on all aspects of life will have to be engaged in. The question will certainly be raised as to the slow, ponderous functioning of the bicameral system and the unnecessary and groundless existence of two legislative bodies in a country whose political structure permits no more sensible formula for democratic representation than the kind that comes from its citizenry, one viewed as a unity of expression of its sovereign will.

We think that the essence of the problems to be studied and resolved for the purpose of which our future Parliament will be adjusting itself to a kind of organization and functioning that is in agreement with the reformed system of democracy it is trying to endow the republic with does not lie in the choice of a unicameral or bicameral system. The basic problems to be elucidated are very different in nature and have nothing to do with the fact that the legislative power may be exercised by means of one or two houses. It is, in fact, fundamentally a matter of the elimination or correction of structural flaws and defects or those stemming from the normal development of the parliamentary efforts that have been achieved in this country, especially during the past few years, an experience whose teachings must not be wasted. Flaws and defects which, in accordance with the domains of application of the laws in which they inhere, we will have to try to

eliminate at the highest level of constitutional precepts and electoral legislation, but now merely in terms of the provisions governing parliamentary law.

A complete and systematic analysis of these problems is obviously beyond the scope of a newspaper article, which is why, without excluding future commentary on this topic, we limit ourselves to briefly stating those points of view that on first examination appear to have priority. Proceeding in this manner, let us sketch the fundamental bases for the composition of a parliament for a new Uruguay in the terms outlined below:

Without interfering with proportional representation, which is the natural cement for authentic, sovereign representation, the electoral system must include a suitable formula for the adjudication of an absolute parliamentary majority to the party that receives the most votes, even if it be in relative terms. Such a rule would constitute the only way of in future avoiding a situation whereby, once the stage is reached in which the process that has been outlined limits participation in elections to the two traditional parties, instead of having a majority that governs and a minority that oversees it, there is merely an outward show of majority rule in reality blocked and frustrated in the houses of parliament by a united minority opposition. In this type of government, in the extreme and exceptional case of disagreement between both powers due to occasional internal differences within the ruling party, there must be provision for ways of resolving the difficulty which, when justified by the gravity of the problem, include the possibility of a referendum.

The minority control in parliament, exercised by calling ministers to account, must be regulated by stipulations that prevent distortion of the right to summon them. Among the various ways of doing this are: substitution, through the attendance, within reasonable limits, of the minister serving as chairman of the committee qualified to deal with the issue in question; strict adherence, during the session, to the issue for which the ministers are summoned; and the restriction of oratory to the statements of the interpellant and the interpellée. The purpose of all this is to see to it that the exercise of a parliamentary right does not again evolve into a situation in which neither the secretaries of state nor parliament itself can in a normal manner dedicate themselves to their specific functions.

The top priority accorded genuine legislation and the subjection of same to rules that protect it from obstacles and interference should constitute another basic section of the appropriate regulation of parliamentary activity. Specifically, deriving inspiration from the recent history of ineffectualness and sterility in the conduct of national parliaments and without claiming to be exhaustive, let us note the following standards and solutions:

Rigorous observance of the time permitted by the rules for any question outside the "agenda," including a ban on interrupting the reading of business in progress with statements, and also rigorous application of the agenda decided on, thus avoiding constant sidetracking of important items in favor of secondary ones which will presumably not give rise to lengthy debate.

Restrictions on statements of a political nature, limiting them to those expressly authorized by the legislative body, limiting to a minimum debates that such statements may give rise to and eliminating the raising of minor issues for election or demagogic purposes along with constantly recurring motions for "order" that have nothing to do with order and questions presumed to be "out of order" without the house's having previously passed on their nature and relevance.

Appropriate regulation of the consideration of bills by striving to prevent marathon debates in which the same pros and cons on the initiative under discussion are tediously repeated, for which purpose it would suffice to limit discussion to statements by the member of members of the appropriate committee who are reporting on the matter and by one representative from each of the parliamentary factions. For the same reason, the holding of yea-and-nay votes should be submitted to the house for a specific resolution and the interminable series of "reasons for voting," obviously already implicit in the vote itself, the result of arguments bitterly defended in the course of the session, should be eliminated.

We repeat that everything we have said is without any claim to draw conclusions on all the points the task of forging a parliamentary structure and mode of operation with an eye to the future may comprise. We have discussed only the chief topics which, it seems to us, should be considered for the purpose of institutionalizing a parliament consistent with the goals of restoring to Uruguay a democracy composed of government agencies that are fruitful and dedicated to public service and not of the opposing self-interests of different political factions, rather one that works exclusively for the supreme interests of the nation.

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CSO: 3010

QUEIROLO RECEIVES MILITARY DECORATION

Montevideo EL PAIS in Spanish 15 Sep 79 p 5

[Text] On receiving the Order of Military Merit at the Brazilian Embassy, Uruguayan Army Commander-in-Chief Lt Gen Luis V. Queirolo in a brief statement let it be known that the "...tradition of brotherhood, solidarity and mutual understanding, born of our unrestrained affection for you and shaped by your country's high-minded political philosophy and lofty diplomacy, promotes the happiness of both nations."

He then lashed out at "the unconventional aggression that would destroy our political system, infiltrating the social organism and the management of the economy and which, beyond ideologies and cultural traditions, seeks to preserve the harmful division between rich and poor, between developed and underdeveloped, carrying all this out by inciting religious and racial clashes."

The ceremony came to a close at 1930 yesterday. Our northern neighbor's ambassador, Antonio Correia do Lago, bestowed the Order of Military Merit on Queirolo and the same on Interior Minister Gen Manuel J. Nunez, National Security and Defense Academy Director Gen (retired) Jose L. Ramagli and Chief of the Presidency Military Office Col Guillermo Mateos.

During the ceremony the Army commander-in-chief said:

"Mr Ambassador of the Federal Republic of Brazil, I wish to thank you, most honored sir, for your kind words.

"They are wonderful demonstrations of your friendship, which unite us and do me great honor.

"I also want to thank you for the distinction I have received from your government through this Order of Military Merit, an expression of the homage of the Brazilian nation and in particular of its army.

"Homage that I receive as commander-in-chief, not in terms of recognition as an individual, but in terms of a real distinction conferred on our people, our fatherland and our army.

"Therefore, we will wear it with the supreme pride of displaying the mark — a beautiful mark — of an homage extended by the Brazilian nation and army to the nation and army of Brazil's eastern neighbor.

"In this way a clearcut tradition of brotherhood, solidarity and mutual understanding is consecrated..."

Union of Peoples

"This clearcut tradition, born of our unrestrained affection for you and shaped by your country's high-minded political philosophy and lofty diplomacy, promotes the happiness of both nations.

"It also serves as an example for those who delve into history and know how to glean from it the fortunes and sorrows, the differences and affinities, the interests and thoughts which in common unite our two peoples regardless of divisive boundaries and border barriers.

"This is all the more so where nations like ours are concerned, with their profound tradition of peace, effectively and ardently dedicated to the development of their economic potential and attainment of the common well-being.

"Hence the relations of mutual cooperation which enable us to join forces to gain the means to do so and to provide firm and enduring bases for domestic security and international peace.

"This is a difficult task in terms of our world today, marked off as it is by the political meridian that separates East from West or by the economic parallel that separates North from South."

Unconventional Aggression

"That is to say, unconventional aggression that would destroy our political system, infiltrating the social organism and the management of the economy which, beyond ideologies and cultural traditions, seeks to preserve the harmful division between rich and poor, between developed and underdeveloped, carrying all this out by inciting religious and racial clashes.

"Our peoples are confronted with this reality and we are responding to it, Brazilians and Uruguayans, in the full awareness of our national destinies and with a clear view of our joint potential.

"Most honored Mr Ambassador, as I now receive this distinction, let me reiterate our thanks, wishing you good luck and, out of sincere friendship and respectful admiration, rendering our homage to your great nation and the men of your brave army.

"May God enlighten the leaders and peoples of South America so that they may find the way to the much-needed and so anxiously desired union all our heroes aspired to.

"Because, in contracting this union, we will be worthier, more authentic and more sovereign."

QUEIROLO EXPLAINS SOCIAL SECURITY REFORMS

Montevideo EL PAIS in Spanish 15 Sep 79 p 1

[Article: "Queirolo: 'We Have 2 Years to Opt for the Law 9 System'"]

[Text] Army Commander-in-Chief Lt Gen Luis V. Queirolo yesterday curtly announced that the Social Security reform would benefit pensioners and that 2 years would be allowed to opt for the new system or retain the old one. "No cause for alarm," he recommended.

"A salary is something that is dynamic in nature, not static. And the government has to concern itself with salaries constantly because we are human beings and human beings have to be protected. One way of doing so is to protect their salaries."

This is how Army Commander-in-Chief Lt Gen Luis V. Queirolo expressed himself on this burning and ever-present issue in the city of Trinidad where he was attending a ceremony for the turning over of the Cadet Heber Castiglioni Field Hospital to the Department of Public Health.

Then, referring to the matter, he went on to say "that the DINACOPRIN [expansion unknown], concerned over consumer protection, has called a press conference and that in this matter we must all serve as soldiers of an army that helps to defend buyers' pocketbooks."

Institutional Law No 9

Urged on by the reporters who were present, among whom was EL PAIS' own, he commented on Institutional Law No 9 which deals with Social Security reform, saying that there are government acts that are really important through which changes are introduced. And one of these is precisely Institutional Law No 9.

"But we must be cautious and not create unjustified panic among pensioners and this can be done by explaining what these changes consist of.

"Specifically, these reforms will take pensioners into consideration to a greater extent than do current laws and regulations and we must emphasize

this in order to completely dispel any alarmist version of the facts which is per se ill-intentioned."

Limits to Be Changed

Among the measures that will provide protection for the pensioner is an increase in age limits, a measure that will be complemented by others no less important.

Other adjustments will also be necessary to permit correction of a number of anomalies or senseless provisions that are rife in this domain. The bill has been studied by a group of executive branch experts who tackled the job with the same thing in mind that those who govern have: to improve the pensioner's standard of living.

"We never in any way intended to harm the nation's 541,000 pensioners, rather to improve their lot. So we had to also introduce changes in the present age limits for retirement.

Opt for One or the Other Law

"Those already covered by the laws will be allowed to opt for the old law or resort to the new one, whichever is in their best interest. Any other solution would be not very political, nor human, and unreal at the present stage of the process through which we are trying to improve the lot of the pensioner or pensioner-to-be.

"Then too, the time has come to drop certain outmoded privileges that have benefited a few so that this improvement will affect the majority, as is the case with the basic law. When it was passed, it was sensible, but today world progress has made it unreal and rather impractical.

"As for age limits to collect pensions, these will be adapted to the life expectation of our people which is fortunately high. The nation cannot afford to lose a useful labor force and people cannot be forced to be pensioned off because of an outmoded law when they are still active."

As far as the time allowed to opt for one or the other law is concerned, Queirolo said that he estimated it would be 2 years, but he added that "I do not like to make positive statements about things I am not fully informed on."

Finally and also in response to a reporter's question, he repeated that his statement issued in Buenos Aires, when he maintained that Uruguay is at the present time the object of international blackmail, is still fully valid.

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FREED LABOR LEADER FASANO MEETS WITH REPORTERS

Mexico City EL DIA in Spanish 12 Sep 79 p 8

[Report on interview with labor leader Carlos Fasano at the FELAP office in Mexico, by Luis Trejo Alarcon: "Carlos Fasano: Arms and Repression the Sole Support of the Uruguayan Dictatorship"; date not given]

[Text] "The existing political situation in my country is that of a dictatorship that is in total opposition to the people, the nation's representative democratic institutions and the aggregate of Uruguay's political parties."

A political and labor leader as well as a journalist, Carlos Fasano expressed himself in these words after having spent 6 months in Uruguayan jails for belonging to the political organization, Groups for Unified Action (GAU), the founder of the Broad Front.

At the office of the Latin-American Federation of Reporters (FELAP), Carlos Fasano said:

"The Uruguayan Government has opposed itself to the union movement, dissolving its most representative organizations and jailing its members for the ideas they support and their activism in the past. It has furthermore opposed itself to a worldwide public opinion that rejects the solutions of the Uruguayan dictatorship and its political proposal: the creation of an exclusively police regime of 60,000 men against 2.5 million people, 80 per cent of whom are between the ages of 18 and 30.

"This is the true situation in which the Uruguayan dictatorship finds itself: isolated, without a political platform, without support and solely dependent on the force of arms and repression... these are not mere words; any objective observer living in Uruguay can attest to the fact."

Carlos Fasano said that the Uruguayan Government has also not come up with either an economic, a social or a cultural solution. "The university intervened and most of its specialists had to emigrate. Thus nearly 500,000 Uruguayans had to leave the country for political and economic reasons.

"Given this situation," he went on, "Uruguayan political reality is very clear. We must consolidate all the forces that are fighting this dictatorship, wherever they may be, so that we can, precisely through a very broad front, coordinate: first, the political downfall of the dictatorship and, second, implement a national movement that will ultimately restore our country, during a very difficult period in its history, inasmuch as it has been dismantled and thrown open to foreign investments and multinational corporations which have exploited the workers and are absconding with our material wealth.

"Today the watchword of the entire Uruguayan opposition," he said, "is a 'major amnesty' with the following conditions:

"That the 118 people who have disappeared and whose whereabouts the dictatorship is concealing be produced and that their freedom be restored to them.

"That the torture inflicted in prisons on the so-called 'hostages,' whose existence and whereabouts not even their defenders are aware of, immediately cease.

"That all political prisoners be freed.

"That the return to their homeland of all those exiled be facilitated and guaranteed.

"That the thousands of Uruguayans who for political reasons have been impoverished and condemned to unemployment have their jobs restored to them.

"That the full operation of all political parties be authorized.

"That freedom of action be granted the workers unions, which have been in existence in this country for almost a century now.

"And that individual liberties be fully sanctioned."

"In the face of this repressive situation, what do the labor movement, the farmers and the progressive sectors propose to do," we asked Carlos Pasano.

"The Uruguayan union movement," he replied, "is going through a period of absolute underground activity and very severe repression and finds itself in the worst possible situation. Nevertheless, the Uruguayan union movement continues to fight, organizing itself and making a proposal, which in this particular case is: first, wage levels that really reflect the extremely difficult economic reality the workers are living through; second, stable labor conditions; and third, a national economic platform for the people."

"The latest action we are engaging in," Carlos Pasano informed us, "is total opposition to the bill proposed by the Ministry of Labor which involves regulation of the unions for the purpose of trying to gag and obstruct the union movement."

"How are the people of Uruguay affected by the police regime you referred to?"

"The way it affects them is by fundamentally controlling their opinions, especially insofar as their opinions at a given moment are concerned. On the job, at celebrations, in the streets, the people generate movements that can lead to concrete demands to change living conditions. For example," he recalled, "a few days ago the executive branch issued a decree on the 'liberalization of rents' so that the owner of the building can set the rent at the figure that most suits him. As soon as the decree was issued, three Uruguayan radio stations (National Broadcasting Station CX30, Sapandis Broadcasting Station CX8 and Spectator Broadcasting Station CX14) conducted a poll in the streets of Montevideo. When any Uruguayan citizen walked past, they asked him: 'What is your opinion of this liberalization bill?' The poll lasted 2 days. On the second day, a junta of commanders met and demanded that the poll be suspended 'in view of the fact that the direction the opinion of the citizens is moving in is highly subversive and because they are expressing opinions with insufficient knowledge of the facts to properly judge them.' This is a police regime."

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GNP UP 8.6 PERCENT IN FIRST SEMESTER

Montevideo EL DIA in Spanish 18 Sep 79 p 4

[Text] According to official figures released by the government yesterday, the gross national product has gone up 8.6 percent.

This figure represents a slight drop with respect to the 9-percent level attained in the first quarter.

In general, all sectors of activity, with the exception of farming, exhibit positive development.

In the farm sector, it is estimated that there has been a decline in harvests of somewhat more than 2 percent. On the other hand, the livestock sector shows an increase of 5.9 percent, manufacturing industries of 11.5 percent and construction of 17.8 percent.

In the farm and livestock sector alone, it is estimated that there has been an increase in investments of 55.1 percent which, however, does not quite compensate for the decline in annual crops (7.9 percent).

Those most affected were the summer crops with corn production dropping 58.7 percent and sunflowers 28.2 percent. Graniferous sorghum dropped 70.7 percent and sugar cane and flax 21.8 and 21.6 percent respectively.

Winter crops in general showed significant recovery, as was the case with barley for beer brewing, which rose 51.4 percent, and oats, 32.3 percent.

Rice went up 9.9 percent, grapes 13.7 percent and potatoes 32.4 percent.

Livestock Production

The livestock sector showed a growth of 5.9 percent. Except for eggs, which dropped 2.4 percent, the rest of the items included in this sector showed increases. The most important were for young pigs, 19.7 percent, and poultry, 27.3 percent.

The report released by the government states that "the general evolution the sector exhibits is a reflection of the relative improvement in prices which the various items have undergone in relation to the general level of prices."

Industry: 11.5 Percent

Manufacturing industries production rose 11.5 percent over that of 1978 during the first half, the result of an expansion of domestic demand, whereas difficulties were noted for some products abroad.

Argentine purchases have contributed toward activation of the domestic market with a concentration of this demand, particularly in those branches associated with the garment industry; nor must we ignore the consumption of food products, beverages and tobacco.

According to the report that was released, other expansion factors in the growth of manufacturing activity were growth in the construction industry, an increase in real income in the livestock sector and the low return on financial assets.

For example, the activity in the construction industry is reflected in the production of nonmetallic minerals (up 14.4 percent) and metallic minerals (17.6 percent).

Livestock sector income is reflected in the chemical industry (fertilizers and specifics), a branch that grew at a rate of 29.4 percent.

And finally, financial factors, reflected in a drop in interest rates, are determining an increase in the production of durable consumer goods, such as domestic appliances and vehicles. These sectors grew by 28.1 and 21.9 percent respectively.

Among the industrial sectors there has been a negative development in the meat-packing industry and the tanneries, in both cases due to a decline in the supply of raw materials.

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BRIEFS

INTEREST RATE DEREGULATION—With Circular 990, dated 11 September, the Central Bank has lifted maximum interest rates, which in future will be governed by supply and demand. This measure replaces Article 161 of the Summary of Regulations and Comptroller of the Financial System and revokes Articles 162, 162.1, 163, 164, 166 and 167 of the summary. According to the Central Bank decision, individuals or corporations, public or private, may contract loans in cash or in terms of other financial operations, in national or foreign currency, at the rate of interest produced by the free interplay of supply and demand. Until adoption of this measure, the maximum rate set by the Central Bank was 90 percent, which left the market virtually free of any restraints, inasmuch as interest rates fluctuate between 50 and 60 percent. In future the only penalty that can be imposed will be under the usury law, recently approved by the Cabinet. [Text] [Montevideo LA MANANA in Spanish 15 Sep 79 p 11] 11466

CSO: 3010

VENEZUELA

CREATION OF CARIBBEAN TERRITORY URGED

Caracas EL NACIONAL in Spanish 26 Sep 79 p A-4

[Commentary by Jose Curiel, former Minister of Public Works:
"The Caribbean Territory"]

[Text] Once again we are urging the creation of a Caribbean Territory, formed by the Caribbean islands that are today called Federal Dependencies. This territory would consist primarily of the archipelago of Los Roques, the Isla de Aves, Orchila, La Tortuga, Blanquilla, Los Hermanos, Los Frailes, Los Testigos, Las Aves, and Los Monjes.

This territory would include 150 islands and would have a maritime area of over 400,000 square kilometers; it would form an arch of 1,500 kilometers from the vicinity of Puerto Rico and Guadeloupe to Trinidad and Colombia.

This step forward in Venezuela's political division would enable us to exercise more firmly our national sovereignty over our land and sea; it would promote the development of the present economic activities of the islands, especially fishing and tourism; it would facilitate conservation of natural resources, especially their extraordinary flora and fauna; and the better socioeconomic organization would raise the population's standard of living.

Furthermore, this Caribbean Territory would pave the way for sufficiently intensive programs to study the islands' natural resources and to plan for their better usage. This is essential for the future of the nation, since no one can now be unaware that, in just a few short years, the sea will take on a vital role in the destiny of humanity. We have only to mention,

among the other activities that would be developed, the extraction of petroleum and minerals, food produced from algae, the farming of fish and shellfish: these are basic elements of the future world economy.

To govern this territory, there should be a permanent planning and research body, in which national organizations involved in related fields would participate, organizations such as the IVIC [Venezuelan Institute of Scientific Investigations], CONICIT [National Council for Scientific and Technological Research], the Venezuelan Natural Sciences Society, the La Salle Foundation, the naval forces, and others.

From a legal point of view, there is no problem at all in creating this territory, which would be named "Caribe," as part of the indomitable Caribbean nation. This would not be a "snobbish" affectation, but rather the realization of a truly Venezuelan aspiration inspired by the Venezuelan position on the proposals about the use of the seabed and the new orientations of the law of the sea.

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